

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2003

	July-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Month Net ROR	FYTD Net	FY03 Net	Ended 6/30/2003 Net	Ended 6/30/2003 Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
AllianceBernstein	121,782	2.4%	2.3%	3.53%	3.53%	-1.88%	-21.24%	-6.07%
Russell 1000 Growth				2.49%	2.49%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>								
LSV	115,200	2.3%	2.3%	1.53%	1.53%	-2.25%	8.84%	3.73%
Russell 1000 Value				1.49%	1.49%	-1.02%	-0.19%	1.05%
<i>S&P 500 Index</i>								
State Street	554,793	10.9%	10.5%	1.77%	1.77%	0.23%	-11.28%	-1.69%
S&P 500				1.76%	1.76%	0.25%	-11.20%	-1.62%
TOTAL LARGE CAP DOMESTIC EQUITY	791,775	15.6%	15.0%	2.00%	2.00%	-0.48%	-9.33%	-1.90%
S&P 500				1.76%	1.76%	0.25%	-11.20%	-1.62%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	277,199	5.5%	5.0%	6.11%	6.11%	0.09%	N/A	N/A
Russell 2000 + 200bp				6.43%	6.43%	0.36%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	277,199	5.5%	5.0%	6.11%	6.11%	0.09%	-3.49%	1.64%
Russell 2000				6.26%	6.26%	-1.63%	-3.30%	0.97%
CONVERTIBLES								
TCW	517,977	10.2%	10.0%	1.23%	1.23%	10.23%	-9.51%	3.90%
First Boston Convertible Index				0.45%	0.45%	15.46%	-3.77%	5.29%
INTERNATIONAL EQUITY								
<i>Large Cap - Active</i>								
Capital Guardian	442,187	8.7%	8.0%	4.79%	4.79%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				3.28%	3.28%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>								
Lazard	54,535	1.1%	1.0%	1.00%	1.00%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				3.20%	3.20%	N/A	N/A	N/A
<i>Small Cap - Growth</i>								
Vanguard	52,505	1.0%	1.0%	4.78%	4.78%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				3.20%	3.20%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	549,227	10.8%	10.0%	4.40%	4.40%	-9.20%	-15.51%	0.27%
MSCI EAFE - 50% Hedged				3.28%	3.28%	-11.24%	-15.51%	-5.33%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	1,223,337	24.1%	25.0%	-4.77%	-4.77%	12.77%	11.23%	8.12%
Lehman Aggregate				-3.36%	-3.36%	10.39%	10.07%	7.54%
<i>Index</i>								
Bank of ND	678,942	13.4%	15.0%	-4.02%	-4.02%	13.26%	10.87%	7.78%
Bank of ND CD'S	-	0.0%	0.0%	N/A	0.30%	N/A	N/A	N/A
Total Index	678,942	13.4%	15.0%	-4.02%	-3.72%	13.26%	10.87%	7.78%
Lehman Gov/Credit				-4.19%	-4.19%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>								
Strong	528,487	10.4%	10.0%	-4.61%	-4.61%	17.91%	N/A	N/A
Lehman US Credit BAA				-4.49%	-4.49%	18.33%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	2,430,766	47.8%	50.0%	-4.53%	-4.53%	13.18%	10.80%	7.81%
Lehman Gov/Credit				-4.19%	-4.19%	13.14%	10.82%	7.83%
CASH EQUIVALENTS								
Bank of ND	513,285	10.1%	10.0%	0.09%	0.09%	1.57%	3.26%	4.15%
90 Day T-Bill				0.07%	0.07%	1.52%	3.33%	4.08%
TOTAL BONDING FUND	5,080,228	100.0%	100.0%	-1.05%	-1.05%	7.52%	1.61%	4.90%
POLICY TARGET BENCHMARK				-1.20%	-1.20%	7.25%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.